
Finance Committee

HB 2152

Brief Description: Extending the business and occupation tax exemption for amounts received as credits against contracts with or funds provided by the Bonneville power administration.

Sponsors: Representatives Tharinger, Nealey, Manweller, Takko, Kretz, Vick, Fey, Fitzgibbon and Robinson.

Brief Summary of Bill

- Permanently extends a business and occupation tax (B&O) exemption for credits or funds provided by the Bonneville Power Administration for energy conservation programs.

Hearing Date: 3/20/15

Staff: Jeffrey Mitchell (786-7139).

Background:

The Bonneville Power Administration (BPA) operates two programs that allows utilities to receive credits on their monthly purchases of power from BPA. From 2001 through 2006, the Conservation and Renewable Discount Program funded local weatherization and conservation programs. That program was replaced by the Conservation Rate Credit.

To fund larger conservation projects, BPA used the Conservation Augmentation Program from 2001 through 2006. That program was replaced by the Conservation Acquisition Agreement program. These programs allowed utilities to request specific funding for a project that would reduce a customer's power consumption.

The Department of Revenue has concluded that the credits and payments received by utilities under the above programs are subject to the B&O tax.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

In 2010, credits or funds provided by the BPA for the purposes of implementing energy conservation programs or demand-side management programs were exempted from the B&O tax. This exemption from the B&O tax expires June 30, 2015.

Summary of Bill:

The B&O tax exemption for credits or funds provided by the BPA for implementing energy conservation programs or demand-side management programs is permanently extended.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2015.